

Congress of the United States

Washington, D.C. 20515

March 12, 2018

Robert W. Patterson
Acting Administrator
Drug Enforcement Agency
8701 Morrisette Drive
Springfield, VA 22152

Dear Administrator Patterson,

As members of the House Committee on Foreign Affairs, we write to express our grave concern about past instances of narcotics-related money laundering in Panama's real estate sector, and the possibility that this criminal activity may have tainted the Panama business interests of the Trump Organization, and, by extension, of President Trump, leading to possible conflicts of interest that would be of serious concern to us and to the Committee. We, therefore, write to request a Committee briefing, at the earliest date possible, about both money laundering in Panama's real estate sector, and whether the Drug Enforcement Administration is aware of any significant narcotics traffickers who are, or who at any time have been, the direct or beneficial owners of units in Trump Ocean Club Panama, also known as "The Bahia Grand".

The State Department's 2017 International Narcotics Control Strategy Report noted that "Panama's strategic geographic location; dollarized economy; status as a regional financial, trade, and logistics hub; and favorable corporate and tax laws make it an attractive location for money launderers." The report went on to explain that, "Money laundered in Panama primarily comes from drug trafficking proceeds due to its location along major trafficking routes," many of which begin in Colombia, the world's top producer of cocaine. Coca cultivation in Colombia has been on the rise since 2015, despite years of U.S.-supported counter-narcotics efforts in the country. Powerful transnational criminal organizations, including Mexico's Sinaloa Cartel, traffic cocaine and other illicit substances from Colombia, through Central America and Mexico, and across our southwest border, leaving a trail of bloodshed, corruption, and misery in their wake, and devastating families and communities across the United States.

We are committed to ensuring effective U.S. counter-narcotics policies in the Western Hemisphere. It is critical that we bring justice not only to those who are directly involved in drug trafficking, but also individuals and organizations, whether in government or the private sector, who knowingly and willingly enable it. It is in recognition of this fact that President Clinton, in 1995, issued Executive Order 12978, which provided the Department of the Treasury to carry out asset blocking and visa denials against individuals, who fit the following criteria: "Plays a significant role in international narcotics trafficking centered in Colombia; Materially assists in,

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or provides financial or technological support for or goods or services in support of, the narcotics trafficking activities of specially designated narcotics traffickers; or Is owned or controlled by, or acts for or on behalf of, any other specially designated narcotics trafficker." In 1999, this sanctions authority was expanded worldwide when President Clinton signed the Kingpin Act (21 U.S.C. §§ 1901-1908 and 8 U.S.C § 1182).

It is in this spirit that we express our grave concern regarding the allegations that have been made about the Trump Ocean Club Panama. In a report published in November 2017, the NGO Global Witness alleged that as many as ten units in the original Trump Ocean Club were purchased, through intermediaries, by David Helmuth Murcia Guzman, a Colombian national who was later convicted in the United States for laundering drug money (and subsequently convicted in Colombia for money laundering and illegally receiving money). Due to the Trump Organization's management and licensing fees from the Trump Ocean Club, the Trump Organization received a share of the proceeds of each unit sold; all in all, Global Witness estimates that the Trump Organization has received as much as \$75,400,000 from the Trump Ocean Club.

As you know, counter-narcotics remains a significant foreign policy priority for the United States, and success in this area is critical to our national security. In Fiscal Year 2017 alone, the United States Congress appropriated \$533,200,000 in Western Hemisphere funds within the State Department's International Narcotics Control and Law Enforcement Account. It is our responsibility to ensure not only that these funds are effectively utilized, but also that the President and all other relevant government officials are free from any conflicts of interest that could inhibit their ability to faithfully execute U.S. foreign policy goals, including the eradication of the drug trade in our hemisphere.

We look forward to your response, and we thank you for your attention to this important issue.

Sincerely,



NORMA J. TORRES
Member of Congress



ELIOT L. ENGEL
Ranking Member
House Committee on Foreign Affairs